Diversion of fund by Morepen Laboratories

1502. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether Government is aware that Delhi based drug maker, Morepen Laboratories, has been found to be diverting its funds to its associate companies;

(b) if so, the details thereof; and

(c) what action is being taken against the said company?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) Yes, Sir. Investigation into the affairs of M/s. Morepen Laboratories Limited has been conducted under the Companies Act, 1956 by Inspectors drawn from Serious Fraud Investigation Office (SFIO). The investigation reveals, in addition to violation of some provisions of the Companies Act, 1956/Indian Penal Code, diversion of funds of the company by way of investment in other companies including investment in subsidiary companies owned by the promoters. Investment of Rs. 40 crore in a company named M/s. Maya Trade Links Limited, a non-banking financial company engaged in dealing in shares and securities and carrying on financing activities, has also come to notice.

(c) Intruction have been issued to file prosecutions against has company and its directors and officers in default for violation of the relevant provisions of the Companies Act, 1956 and the Indian Penal Code.

Database of companies maintained by Registrars of Companies

1503. SHRl SANJAY RAUT: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that a large number of companies record and detabase maintained by Registrars of Companies were either incorrect or incomplete and not update;

(b) if so, the reasons therefor;

(c) whether it is also a fact that there is no control system over such erring companies;

(d) whether it is also a fact that many companies are not submitting their balance sheet, annaual returns and profit/loss accounts to Registrars of Companies; and

(e) if so, Government's response thereto and the details of steps taken or proposed to be taken against such erring companies by bringing in more transparent systems?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) No, Sin The records of companies maintained by the Registrars in physical document form prior to the implementation of e-Governance programme are complete and accurate. The documents filed in the electronic mode are secure and intact as maintained in the electronic Registry. Some problems were identified on accuracy of data resulting from digitisation of the physical records and migration to the electronic registry, which are being verified and corrected.

(c) No, Sir.

(d) and (e) Yes, Sir. However, the rate of compliance in filing of Annual Returns, Balance Sheets and Profit & Loss Accounts has registered significant improvement with the introduction